3510-DS-P

#### DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-928]

Uncovered Innerspring Units from the People's Republic of China: Preliminary Determination of No Shipments; 2020-2021

AGENCY: Enforcement and Compliance, International Trade Administration, Department of

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that Comfort Coil Technology Sdn. Bhd. (Comfort Coil), the only company subject to review, had no shipments of subject merchandise during the period of review (POR), February 1, 2020, through January 31, 2021. We invite interested parties to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Christopher Maciuba, AD/CVD Operations,

Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of

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0413.

#### SUPPLEMENTARY INFORMATION:

#### Background

On February 2, 2021, Commerce published in the *Federal Register* a notice of opportunity to request an administrative review of the antidumping duty order on uncovered innerspring units (innersprings) from the People's Republic of China (China) for the POR.<sup>1</sup> On April 1, 2021, in response to a timely request from Leggett & Platt, Incorporated (the petitioner),<sup>2</sup> and in accordance with section 751(a) of the Tariff Act of 1930, as amended (the

See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request

Administrative Project 26 EP 7855 (Echanom 2, 2021), see also Unecounted Investigation Units from the People's

Administrative Review, 86 FR 7855 (February 2, 2021); see also Uncovered Innerspring Units from the People's Republic of China: Notice of Antidumping Duty Order, 74 FR 7661 (February 19, 2009) (Order).

<sup>&</sup>lt;sup>2</sup> See Petitioner's Letter, "Uncovered Innerspring Units from the People's Republic of China: Request for 2020-2021 Antidumping Duty Administrative Review," dated March 1, 2021.

Act), and 19 CFR 351.221(c)(1)(i), we initiated an administrative review of the *Order* with respect to Comfort Coil.<sup>3</sup>

## Scope of the *Order*

The merchandise subject to the *Order* is uncovered innerspring units composed of a series of individual metal springs joined together in sizes corresponding to the sizes of adult mattresses (*e.g.*, twin, twin long, full, full long, queen, California king and king) and units used in smaller constructions, such as crib and youth mattresses. All uncovered innerspring units are included in the scope regardless of width and length. Included within this definition are innersprings typically ranging from 30.5 inches to 76 inches in width and 68 inches to 84 inches in length. Innersprings for crib mattresses typically range from 25 inches to 27 inches in width and 50 inches to 52 inches in length.

Uncovered innerspring units are suitable for use as the innerspring component in the manufacture of innerspring mattresses, including mattresses that incorporate a foam encasement around the innerspring.

Pocketed and non-pocketed innerspring units are included in this definition. Non-pocketed innersprings are typically joined together with helical wire and border rods. Non-pocketed innersprings are included in this definition regardless of whether they have border rods attached to the perimeter of the innerspring. Pocketed innersprings are individual coils covered by a "pocket" or "sock" of a nonwoven synthetic material or woven material and then glued together in a linear fashion.

Uncovered innersprings are classified under subheading 9404.29.9010 and have also been classified under subheadings 9404.10.0000, 9404.29.9005, 9404.29.9011, 7326.20.0070, 7326.20.0090, 7320.20.5010, 7320.90.5010, or 7326.20.0071 of the Harmonized Tariff Schedule

<sup>&</sup>lt;sup>3</sup> See Initiation of Antidumping and Countervailing Duty Administrative Reviews, 86 FR 17124 (April 1, 2021).

of the United States (HTSUS).<sup>4</sup> The HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope of the *Order* is dispositive.

## Preliminary Determination of No Shipments

On April 23, 2021, we released the U.S. Customs and Border Protection (CBP) entry data of subject merchandise exported to the United States by Comfort Coil during the POR.<sup>5</sup> This query returned no entries during the POR.<sup>6</sup> Thereafter, we received a timely submission from Comfort Coil certifying that it did not have sales, shipments, or exports of subject merchandise to the United States during the POR.<sup>7</sup> We submitted a no-shipments inquiry to CBP with regard to Comfort Coil, to which CBP responded that it found no shipments of subject merchandise by Comfort Coil during the POR.<sup>8</sup>

Accordingly, and consistent with our practice, we preliminarily determine that Comfort Coil had no shipments and, therefore, no reviewable entries, of subject merchandise during the POR. In addition, we find it is not appropriate to rescind the review with respect to this company, but rather, to complete the review with respect to Comfort Coil and issue appropriate instructions to CBP based on the final results of the review, consistent with our practice in non-market economy (NME) cases.<sup>9</sup>

<sup>&</sup>lt;sup>4</sup> Based on a recommendation by CBP, on September 6, 2017, Commerce added HTS 7326.20.0090 to the scope. *See* Memorandum, "Request from Customs and Border Protection to Updated the ACE AD/CVD Case Reference File, Uncovered Innersprings from the People's Republic of China (A-570-928) and South Africa (A-791-821)," dated September 6, 2017.

<sup>&</sup>lt;sup>5</sup> See Memorandum, "U.S. Customs and Border Protection Data Query," dated April 23, 2021.

<sup>&</sup>lt;sup>6</sup> *Id.* at Attachment 1.

<sup>&</sup>lt;sup>7</sup> See Comfort Coil's Letter, "Uncovered Innerspring Units from the People's Republic of China – No Sales Certification," dated April 27, 2021.

<sup>&</sup>lt;sup>8</sup> See Memorandum, "Uncovered Innerspring Units from the People's Republic of China (A-570-928); No shipment inquiry with respect to Comfort Coil Technology Sdn. Bhd., during the period 02/01/2020 through 01/31/2021," dated August 10, 2021. After the initial release of the CBP data, the petitioner requested that Commerce issue its standard questionnaire to Comfort Coil, despite the CBP data revealing no POR shipments of subject merchandise. See Petitioner's Letter, "Uncovered Innerspring Units from the People's Republic of China: Comments on US Customs and Border Protection Entry Data Results," dated April 30, 2021. However, absent record evidence from CBP (or any other source) calling into question the initial entry data, or the results of the subsequent no-shipment inquiry to CBP, there is no basis to issue the antidumping duty questionnaire to Comfort Coil here. Moreover, and as noted below, Commerce will complete the review with respect to Comfort Coil.

<sup>&</sup>lt;sup>9</sup> See Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties, 76 FR 65694, 65694-95 (October 24, 2011); see also the "Assessment Rates" section, below.

### **China-Wide Entity**

Commerce's policy regarding conditional review of the China-wide entity applies to this administrative review.<sup>10</sup> Under this policy, the China-wide entity will not be under review unless a party specifically requests, or Commerce self-initiates, a review of the entity. Because no party requested a review of the China-wide entity, and we did not self-initiate a review, the China-wide entity rate (*i.e.*, 234.51 percent) is not subject to change as a result of this review.<sup>11</sup> Aside from Comfort Coil, we did not receive a review request for any other company.

#### **Public Comment**

Interested parties are invited to comment on the preliminary results and may submit case briefs and/or written comments, filed electronically via Enforcement and Compliance's Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS), within 30 days after the date of publication of these preliminary results of review. ACCESS is available to registered users at <a href="https://access.trade.gov">https://access.trade.gov</a>. Rebuttal briefs, limited to issues raised in the case briefs, must be filed within seven days after the time limit for filing case briefs. Parties who submit case or rebuttal briefs in this proceeding are requested to submit with each argument a statement of the issue, a brief summary of the argument, and a table of authorities. Note that Commerce has temporarily modified certain portions of its requirements for serving documents containing business proprietary information, until further notice. 15</a>

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to Commerce within 30 days of the date of publication of this notice.<sup>16</sup> Requests should contain: (1) the party's name, address, the telephone number; (2) the number of

<sup>&</sup>lt;sup>10</sup> See Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings, 78 FR 65963 (November 4, 2013).

<sup>&</sup>lt;sup>11</sup> See Order, 74 FR at 7662.

<sup>&</sup>lt;sup>12</sup> See 19 CFR 351.309(c)(1)(ii).

<sup>&</sup>lt;sup>13</sup> See 19 CFR 351.309(d)(1) and (2); see also Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period, 85 FR 41363 (July 10, 2020) (Temporary Rule).

<sup>&</sup>lt;sup>14</sup> See 19 CFR 351.309(c) and (d); see also 19 CFR 351.303 (for general filing requirements).

<sup>&</sup>lt;sup>15</sup> See Temporary Rule.

<sup>&</sup>lt;sup>16</sup> See 19 CFR 351.310(c).

participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, parties will be notified of the time and date for the hearing to be held.<sup>17</sup> Parties are reminded that all briefs and hearing requests must be filed electronically using ACCESS and received successfully in their entirety by 5:00 p.m. Eastern Time on the due date.

Commerce intends to issue the final results of this administrative review, which will include the results of our analysis of all issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, unless extended, pursuant to section 751(a)(3)(A) of the Act.

## Assessment Rates

Upon issuance of the final results of this review, Commerce will determine, and CBP will assess, antidumping duties on all appropriate entries covered by this review. Recommerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication). Pursuant to Commerce's practice in NME cases, if we continue to determine in the final results that Comfort Coil had no shipments of subject merchandise, any suspended entries of subject merchandise during the POR from Comfort Coil will be liquidated at the China-wide rate, 234.51 percent. Por commerce of the property of the port of the port of the port of the property of the port of the property of th

## Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or

<sup>&</sup>lt;sup>17</sup> See 19 CFR 310(d).

<sup>&</sup>lt;sup>18</sup> See 19 CFR 351.212(b)(1).

<sup>&</sup>lt;sup>19</sup> For a full discussion of this practice, see Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties, 76 FR 65694 (October 24, 2011); and Order, 74 FR at 7662.

withdrawn from warehouse, for consumption on or after the publication date of the final results of review, as provided for by section 751(a)(2)(C) of the Act: (1) for previously investigated or reviewed Chinese and non-Chinese exporters who are not under review in this segment of the proceeding but who have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (2) for all Chinese exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be China-wide rate of 234.51 percent; and (3) for all non-Chinese exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to Chinese exporter(s) that supplied that non-Chinese exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

# Notification to Importers

This notice also serves as a reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

#### Notification to Interested Parties

These preliminary results of review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: November 1, 2021.

Ryan Majerus,
Deputy Assistant Secretary
for Policy and Negotiations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.

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